MEETING DATE: **October 25, 2010**

AGENDA ITEM: **Adopt the Resolution Approving the Issuance of Bonds by California Municipal Finance Authority for the Benefit of MWLA, Inc. (dba Turning Point School) to Refund Existing Debt.**

ATTACHMENTS

RESOLUTION NO. 2010-R ______

RESOLUTION APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF REFINANCING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN FACILITIES FOR THE BENEFIT OF MWLA, INC. (DBA THE TURNING POINT SCHOOL).

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, certain public agencies have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, effective as of January 1, 2004 (the “Agreement”), in order to form the California Municipal Finance Authority (the “Authority”), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Authority’s members, including the issuance of bonds, notes or other evidence of indebtedness; and

WHEREAS, the City of Culver City, California (the “City”), has determined that it is in the public interest and for the public benefit that it become, and has become, a member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of City projects by the Authority; and

WHEREAS, MWLA, Inc. (dba The Turning Point School), a nonprofit corporation organized and existing under the laws of the State of California (the “Borrower”) has requested that the Authority issue and sell revenue bonds in the maximum principal amount of $18,500,000 (the “Bonds”) for the purpose of making a loan to the Borrower, to enable the Borrower to finance or refinance the costs of the acquisition, construction and improvement of the facilities described in the public hearing notice attached hereto as Exhibit “A” and incorporated herein by this reference (the “Project”); and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

WHEREAS, the Authority has determined that the City Council is an "applicable elected representative" for purposes of holding such hearing; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Agreement; and

WHEREAS, notice of such public hearing has been duly given as required by the Code, and this City Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing or refinancing of the Project and the Authority's issuance of the Bonds therefore; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, the City Council of the City of Culver City, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code and (b) by the City Council in accordance with Section 4 of the Agreement.

SECTION 2. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

SECTION 3. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 4. The City Manager, or his or her designee, is hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 5. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED this ____ day of _______ 2010.

____
CHRISTOPHER ARMENTA, Mayor
City of Culver City, California

ATTEST:

____
MARTIN R. COLE, City Clerk

APPROVED AS TO FORM:

____
CAROL A. SCHWAB, City Attorney

A10-00370

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Monday, October 25, 2010, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the “Code”) will be held with respect to the proposed issuance by the California Municipal Finance Authority (the “Authority”) of its revenue bonds in one or more series in an amount not to exceed $18,500,000 (the “Bonds”). The proceeds of the Bonds will be used to refund the Authority’s Variable Rate Demand Revenue Bonds (Turning Point School) Series 2009 originally issued to finance (1) the renovation, construction and equipping of educational facilities of the Corporation including but not limited to new classrooms and a theater in an existing 61,000 square-foot building, and additional parking spaces on real property adjacent to the Corporation’s existing educational facilities and other improvements to educational facilities for use as part of the Corporation’s primary, elementary and middle school campuses, and (2) the refunding of $12,000,000 original principal amount of the California Statewide Communities Development Authority Revenue Bonds (Turningpoint) Series 2001, the proceeds of which financed educational facilities at the Corporation’s existing campus (the proposed improvements and the improvements financed with the proceeds of the 2001 Bonds are collectively referred to as the “Project”).

The Project is located at 8780 National Boulevard, Culver City, County of Los Angeles, California, 90232 at the southeast corner of National Boulevard and Wesley Street. The Project will be owned and operated by MWLA, Inc. (dba Turning Point School), an organization described in Section 501(c)(3) of the Code, as amended. The Corporation owns, or leases pursuant to a ground lease, all of the real estate on which the Project is to be located.

The hearing will commence at 7:00 o’clock p.m., or as soon thereafter as the matter can be heard and will be held in the Mike Balkman Council Chambers at Culver City City Hall, 9770 Culver Boulevard, Culver City, California 90232. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the Project may attend the public hearing or, prior to the time of the hearing, submit written comments.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Corporation.

Additional information concerning the above matter may be obtained from and written comments should be addressed to Martin Cole, Assistant City Manager/City Clerk, City of Culver City, 9770 Culver Boulevard, Culver City, California 90232.

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